

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

MINUTES

CORRECTED

February 4, 2009

The South Carolina Commission on Disabilities and Special Needs met on Thursday, February 4, 2009, at 1:30 PM at the Department of Disabilities and Special Needs Central Office, 3440 Harden Street Extension, Columbia, South Carolina.

The following were in attendance:

COMMISSION

Present:

Bobby Harrell, Chairman
John Vaughn, Vice-Chairman
Edythe Dove
John Powell
Kelly H. Floyd
Bill Bishop

Absent:

Otis Speight, Secretary

DDSN Administrative Staff

Dr. Stan Butkus, State Director; Bill Barfield, Deputy State Director, Administration; Kathi Lacy, Associate State Director, Policy; David Goodell, Associate State Director, Operations; Lois Park Mole, Director of Government and Community Relations; Tom Waring, Director, Budgeting Systems; Linda Veldheer, Director of HASCI; Kevin Yacobi, Director of Internal Audit; Daniel Davis, Director of Autism

Guests

Ralph Courtney, Executive Director, Aiken County DSN Board; Deborah McPherson, Parent; Leanne Johnston, SCHSP; Mary Leitner, Executive Director; Richland/Lexington DSN Board; Mary Poole, Executive Director, York County DSN Board; Rick Huntress, SCSCIA; Wendy Huntress; Patricia Harrison, Advocate; John Harrison, Citizen; Judy Johnson, Executive Director, Babcock Center; Charles Lang, DD Council; Dean Redd, Executive Director, Colleton County DSN Board; Mary Katherine Bagnal, Citizen; Katharine Bradley, Executive Director, Kershaw County DSN Board; Ben Szobody, Greenville News; Roddie Burris, The State Paper

News Release of Meeting

Mr. Bobby Harrell, Chairman, called the meeting to order. Ms. Kelly H. Floyd read a statement of announcement about the meeting that had been mailed to the appropriate media, interested persons, and posted at the Central Office in accordance with the Freedom of Information Act.

Invocation

Mr. John Powell gave the invocation.

Adoption of the Agenda

Mr. Harrell requested two amendments to the agenda by adding the stimulus package and the restructuring concepts as new items. On motion of Mr. Powell, seconded by Dr. John Vaughn and passed, the Commission approved adding the two new items to the agenda for the meeting (Attachment A).

Report from Finance/Audit Committee

Mr. Powell reported that the Finance/Audit committee adopted an Audit Committee Charter in order for members to participate in audit planning and review of audits before they are released. On motion of Mr. Powell and seconded by Ms. Floyd, the Commission approved the Audit Committee Charter (Attachment B).

Mr. Powell asked Dr. Vaughn to report the change on Policy 800-03-CP. Dr. Vaughn read the current reading of 800-03-CP. In order to strengthen and

clarify the language in the policy concerning the Internal Audit Director, it was recommended the new reading read, "Fail to oversee the Audit Director administratively according to an annual work plan, but shall not restrict the auditor's independence nor the functional oversight of the commission. The State Director shall not hire or fire the Audit Director without commission consent." On motion of Dr. Vaughn and seconded by Mr. Powell and passed, the new reading of 800-03-CP was approved.

Update on Stimulus Package

Mr. Bill Barfield reported that the Medicaid area would see money both in the House and Senate version of the stimulus package. The package has not passed but the agency needs to be prepared if passed because it will impact the consumers. The federal portion will increase and the state portion will decrease. This money will replace some of our lost money, maybe restore some services, keep the critical list going, carry the PDD waiver through next year and restore eligibility. The Department of Health and Human Services (DHHS) is saying we may get additional state match. State match could be down 71/2% from 10%. We could collect \$23 million and when annualized is \$35 million. All these figures are preliminary. Health and Human Services would be the controlling entity to accept federal offer. The timeframe on the stimulus package is retroactive back to October 2009 through December 2010. Mr. Barfield continued by stating DHHS will meet on Friday to discuss how the stimulus package will affect Medicaid. If the package is passed, DDSN would go back to the reduction plan and present to the Commission for approval. He added that we could use the freed-up state money on other programs but DHHS would want Medicaid service to benefit with this money. Not everything we do is Medicaid. New rule would come with this package but this will not be a problem. The state government could not place money in a reserve account. If the stimulus package is passed, we could see revenues early February, March or April. Mr. Barfield noted this id good news in rough times.

Report from Ad Hoc Committee on LAC Audit

Dr. Vaughn reported on the Ad Hoc Committee on the LAC stating the committee met on January 21 after preliminary work. He explained the 63 LAC recommendations that need to be addressed were formatted into a draft document naming the responsible party for each recommendation. The committee will meet on February 19 with the LAC auditors that were involved in the audit. The goal date to distribute the work plan is March 21, 2009 which is 90 days after the committee started working on addressing the

recommendations and completion of the implementations would hopefully be by June 2009. Dr. Vaughn stated the recommendation to adopt an audit charter has been addressed. Dr. Vaughn stated that recommendation number 6 that addresses transferring DDSN's licensing functions needs to be acted upon. An RFP was submitted but it has been communicated that there is a strong desire for the licensing functions to be transferred to the Department of Health and Environmental Control (DHEC). On motion of Dr. Vaughn and seconded by Mr. Powell and passed, it was approved that DDSN staff coordinate with appropriate legislative committees in introducing legislation transferring DDSN licensing functions to DHEC.

Executive Session

On motion of Mr. Harrell and seconded by Ms. Floyd, the Commission voted to enter Executive Session.

On motion of Mr. Powell and seconded by Ms. Floyd, the Commission voted to exit the Executive Session. It was noted that no action was taken.

Restructuring Concepts

Dr. Vaughn spoke about restructuring and that legislation had been introduced. Discussion followed. Dr. Vaughn stated the Commission drafted a Statement of Support which he read. On motion of Dr. Vaughn, seconded by Mr. Bishop and passed, the Statement of Support was adopted. Ms. Floyd requested the statement be enclosed with the Commission's letter to the Governor (Attachment C).

Next Meeting Date

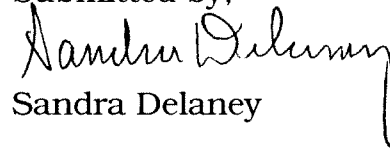
Mr. Harrell announced Senator Thomas' hearing will be held on Wednesday, February 11, 2009. He did not have the time of the meeting as of yet.

Mr. Harrell announced the next Commission meeting will be held February 19, 2009, in Columbia, South Carolina.

On motion of Ms. Floyd, seconded by Mr. Powell and passed, the Commission meeting was adjourned.

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Submitted by,


Sandra Delaney

Approved:

Dr. Otis Speight

Mr. Bobby Harrell

SOUTH CAROLINA COMMISSION ON DISABILITIES AND SPECIAL NEEDS

A G E N D A

**South Carolina Department of Disabilities and Special Needs
3440 Harden Street Extension
Room 251
Columbia, South Carolina**

AMENDED

February 4, 2009

1:30 PM

1. Notice of Meeting Statement
2. Invocation
3. Introduction of Guests
4. Adoption of Agenda
5. Report from Finance/Audit Committee
6. Update on Stimulus Package
7. Report from Ad Hoc Committee on LAC Audit
8. Restructuring Concepts
9. Adjourn

PLEASE SILENCE CELL PHONES DURING THE MEETING. THANK YOU.

**SCDDSN AUDIT COMMITTEE CHARTER
AS PASSED BY SCDDSN COMMISSION February 4, 2009**

PURPOSE

To assist the Commission in fulfilling its oversight responsibilities relating to the system of internal control, the performance of the internal audit function, and the Agency's process for monitoring compliance with laws, regulations and departmental directives, the SCDDSN Commission was within its authority to name an Audit Committee. The Committee also provides an open avenue of communication between Internal Audit and the Commission.

AUTHORITY

Consistent with the annual audit plan, the audit committee has authority to conduct or authorize investigations into any matters within its scope of responsibility.

COMPOSITION

The audit committee will consist of at least three Commission members. The Chairman of the Commission will appoint committee members as well as the committee chair. Each committee member's background will be suited to the Committee's responsibilities.

MEETINGS

The committee will meet, at a minimum, of twice a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The committee may invite members of management, auditors or others to attend meetings and provide pertinent information, as necessary.

RESPONSIBILITIES

The committee will carry out the following responsibilities:

Internal Control

- Consider the effectiveness of the agency's internal control system as it relates both to the SCDDSN as well as the agency's provider network.
- Understand the scope of internal and external auditors' review of internal control and obtain reports on significant findings and recommendations, together with managements responses.

Internal Audit

- To facilitate organizational independence, the chief audit executive will report to the audit committee.

SCDDSN AUDIT COMMITTEE CHARTER
AS PASSED BY SCDDSN COMMISSION February 4, 2009

- Review with the chief audit executive the annual risk assessment, audit plan, audit activities, and staffing of the internal audit function.
- Review and assess the adequacy of the audit committee charter, requesting Commission approval for proposed changes on an annual basis.
- Review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.
- Review the results of internal audit findings with the Commission and share with SCDDSN management.

Compliance

- Review the effectiveness of the system for monitoring compliance with laws and regulations.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.

Reporting Responsibilities

- As requested, report to the Commission about audit committee activities, issues, and related recommendations.
- Review any relevant reports issued or received related to committee responsibilities.

SC Disabilities and Special Needs Commission

**Statement of Support
Adopted February 4, 2009**

In light of the complexity of and the amount of work involved in the response to the LAC review, and the recent presentation of a bill for restructuring, the Commission for the SCDDSN reaffirms that it serves at the Governor's pleasure and it supports his decisions.